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COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

CANBERRA, AUSTRALIA

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SURVEY OF SELECTED PRIVATE PENSIONFUNDS 1967-68

This bulletin contains the results of a survey of separately constituted private pension funds operated by a number of large companies or groups of companies and relates to the year 1967-68.

PREVIOUS SURVEYS

2. For 1955-56, 1960-61, 1961-62 and 1962-63, the Bureau conducted sample surveys of pension and retiring allowance schemes in private businesses subject to payroll tax, other than in rural industries, private domestic service, and certain businesses such as accountants, trade associations, consultant engineers, etc. Commonwealth Government airlines and banks were included where they had established their own funds separately from the Commonwealth superannuation funds, but statutory coal miners' pension funds were excluded. Details were asked for three types of pension and retiring allowance schemes. They were (a) schemes operated through life insurance offices, (b) schemes operated through separately constituted funds, and (c) direct payments of pensions and retiring allowances.

3. The results of the 1955-56 survey are available in Finance Bulletin No. 47, Part I, and the 1960-61, 1961-62 and 1962-63 survey results were published in Insurance and Other Private Finance Bulletin No. 2. Details of the operations of government and semi-governmental superannuation schemes were published in Insurance and Other Private Finance, Bulletins No. 1 and No. 2 for 1961-62 and 1962-63 respectively, and in Part I of the Finance Bulletin for years prior to 1961-62. The results of the 1964-65 survey of government and semi-governmental superannuation schemes were published in October 1966 in a mimeographed bulletin. The Monthly Bulletin of Life Insurance Statistics contains some information on the superannuation business of life insurance offices.

4. In the years 1956-57 to 1958-59, 1963-64 and 1964-65, information was collected from a small number of selected larger funds, and for the years 1955-56 and 1960-61 to 1962-63, the returns for the selected pension schemes were extracted from the sample surveys and tabulated in respect only of the business of their separately constituted funds. Results of the survey for 1964-65, together with comparative figures for previous years, were published in April 1966 in a mimeographed bulletin. Although only a small number of funds were included in these surveys, they accounted for about 34 per cent of total assets of the funds covered by the more comprehensive sample survey in 1962-63.

5. In order to improve the coverage of the surveys of selected pension funds, a larger number of funds were surveyed in 1964-65 than in previous surveys of selected funds. The results of the 1964-65 survey were published in September 1966 in a mimeographed bulletin.

PRESENT SURVEY

6. Further surveys, relating to the same funds that were included in the 1964-65 survey of selected private pension funds, were made in respect of 1965-66, 1966-67 and 1967-68. The results of the 1967-68 survey are published in this bulletin together with details of the 1964-65, 1965-66 and 1966-67 surveys for comparison. The separately constituted private pension funds included in these surveys accounted for about 72 per cent of the total contributions, 71 per cent of the income, 68 per cent of the expenditure and 77 per cent of the assets of the funds covered by the 1962-63 sample survey.

7. Summary data of contributions, income, expenditure and assets in respect of informants in the present survey, were extracted from the tabulations of the 1962-63 sample survey, and are shown in Table 4 of this bulletin for comparison with the 1967-68 results.

8. Since the Survey of Selected Private Pension Funds for 1967-68 is not a representative sample, it is not known to what extent their share of the whole field has changed since the 1962-63 survey; nor is the pattern of income, expenditure and asset distribution of the large funds included in this survey necessarily representative of the whole field.

NOTE. Any discrepancies between totals and sums of components in tables in this bulletin are due to rounding.

**TABLE 1. - INCOME AND EXPENDITURE OF SELECTED SEPARATELY
CONSTITUTED PRIVATE PENSION FUNDS**

(Year ended 30 June or substituted accounting period)
(\$ million)

Particulars	1964-65	1965-66	1966-67	1967-68
INCOME				
Contributions -				
Employees	21.8	23.3	26.6	29.4
Employers	40.7	42.6	47.7	52.7
Interest on Commonwealth, local and semi-governmental securities	15.1	15.8	19.0	20.3
Other interest, dividends and rent	21.6	25.2	27.0	30.8
Profit on sale or revaluation of assets	2.8	1.4	7.6	16.1
Other income (a)	2.4	4.1	5.1	6.2
TOTAL INCOME	104.4	112.4	133.0	155.6
EXPENDITURE				
Pensions paid to -				
Former employees	10.6	12.0	13.6	15.4
Widows or children	2.0	2.1	2.2	2.6
Lump sum payments to -				
Former employees -				
On retirement	7.6	8.4	10.3	13.0
On resignation or dismissal	8.4	9.4	9.7	10.7
Widows or children	2.3	2.3	2.6	2.9
Loss on sale or revaluation of assets	4.2	2.2	0.9	1.1
Other expenditure (b)	2.3	4.1	7.6	3.4
TOTAL EXPENDITURE	37.5	40.5	46.9	49.0
Increase in Funds	66.9	71.9	86.1	106.6

(a) Includes receipts from life insurance offices, sub-underwriting commissions, etc.

(b) Includes administrative expenses payable from Funds, payments to life insurance offices, etc.

TABLE 2. - ASSETS AND LIABILITIES OF SELECTED SEPARATELY CONSTITUTED
PRIVATE PENSION FUNDS

(Book values at balance dates in the financial years quoted)
(\$ million)

Particulars	1964-65	1965-66	1966-67	1967-68
AMOUNT				
Cash in hand or at bank	16.7	17.5	19.4	22.2
Commonwealth Government securities	116.2	126.0	137.3	155.2
Local and semi-governmental securities	176.5	185.3	188.9	195.0
Loans on mortgage -				
To companies	24.3	30.3	42.1	56.2
Other	19.5	20.8	22.0	26.5
Company debentures, notes and other loans to companies	167.4	188.6	209.4	230.0
Shares in companies	177.5	198.1	228.7	258.0
Land and buildings	4.4	5.0	6.8	8.2
All other assets (a)	9.3	11.9	14.9	21.6
TOTAL ASSETS	711.8	783.4	869.5	972.9
<u>Less</u> sundry creditors, etc.	4.3	4.1	4.3	4.7
AMOUNT OF FUNDS IN AUSTRALIA	707.5	779.4	865.1	968.2

(a) Includes loans to building societies and to authorised dealers in the short-term money market.

TABLE 3. - ASSETS OF SELECTED SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS
PERCENTAGE DISTRIBUTION

(At balance dates in the financial years quoted)

Particulars	1964-65	1965-66	1966-67	1967-68
(PER CENT)				
Cash in hand or at bank	2.3	2.2	2.2	2.3
Commonwealth Government securities	16.3	16.1	15.8	15.9
Local and semi-governmental securities	24.8	23.7	21.7	20.0
Loans on mortgage -				
To companies	3.4	3.9	4.8	5.8
Other	2.7	2.7	2.5	2.7
Company debentures, notes and other loans to companies	23.5	24.1	24.1	23.6
Shares in companies	24.9	25.3	26.3	26.5
Land and buildings	0.6	0.6	0.8	1.0
All other assets (a)	1.3	1.5	1.7	2.2
TOTAL ASSETS	100.0	100.0	100.0	100.0

(a) Includes loans to building societies and to authorised dealers in the short-term money market.

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TABLE 4. - INCOME, EXPENDITURE AND ASSETS OF
SELECTED SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS
(Year ended 30 June or substituted accounting period)
(\$ million)

Particulars	1962-63	1964-65	1965-66	1966-67	1967-68
Employees' contributions	18.1	21.8	23.3	26.6	29.4
Employers' contributions	36.0	40.7	42.6	47.7	52.7
Other income	35.5	42.0	46.5	58.7	73.4
Total income	89.6	104.4	112.4	133.0	155.6
Total expenditure	27.6	37.5	40.6	46.9	49.0
Book value of total assets at end of year	581.5	711.8	783.4	869.5	972.9

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NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 489066 Extension 164 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.

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